GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:753
ANSWERED ON:03.03.2008
RISE IN PRICES
Chakraborty Shri Ajay;Jha Shri Raghunath;Jogi Shri Ajit;Mondal Shri Abu Ayes;Reddy Shri K. Jayasurya Prakash;Sarvey Shri Sathyanarayana

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the prices of essential commodities including Rice, Wheat, Gram. Edible oil,Pulses, Vegetables, Milk continue to rise despite the efforts made by the Government in this regard;

(b) if so, the details thereof and the reasons therefor indicating the increase in prices of essential commodities during the last six months;

(c) the steps taken by the Government to control the prices and check hoarding, black marketing and forward trading of essential commodities;

(d) whether the Government has received any report from Food and Agriculture Organisation showing concern about the increasing prices; and

(e) if so, the details thereof and the steps taken by the Government to address the issues raised in the report?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS,FOOD AND PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a) & (b): Government is aware of increase in prices of essential commodities and has already taken steps to check the increase in prices by taking effective measures such as augmenting domestic supplies of rice, wheat pulses and edible oils through imports at zero/reduced rates of duty and ban on exports. Retail Prices of essential commodities at Delhi during the last six months is given in table below:-

Commodity	Current Prices as on 26.02.2008	Retail Prices(Rs./Kg.) 1 Week Back 19.02.08	1Month Back 25.01.08	3 Months Back 26.11.07	6 Months Back 27.08.2007	Variation over 6 month
Rice	18.00	17.00	17.00	16.00	15.00	3.00
Wheat	13.00	12.50	13.00	12.00	12.00	1.00
Atta	14.00	14.00	14.00	13.00	13.00	1.00
Gram dal	35.00	35.00	35.00	36.00	34.00	1.00
Tur dal	41.00	42.00	42.00	41.00	39.00	2.00

Sugar 17.00 17.00 17.00 17,00 16.00 1.00

Groundnut oil 121.00 121.00 121.00 121.00 118.00 3.00

Mustard Oil 71.00 69.00 68.00 64.00 62.00 9.00

Vanaspati 68.00 68.00 67.00 60.00 60.00 8.00

Tea(Loose) 108.00 109.00 107.00 109.00 107.00 1.00

Milk@ 20.00 20.00 20.00 20.00 19.00 1.00

Potato 8.00 7.00 8.00 10.00 15.50 -7.50

Onion 8.00 8.00 9.00 14.50 21.00 -13.00

Salt(Packed) 10.00 10.00 10.00 10.00 9.00 1.00

Refined oil @ per litre

Inflation in some food articles mainly rice, tur dal and edible oils is witnessed mainly due to inadequate supplies in relation to demand, diversion of food grain to bio-fuel and animal feed, production losses due to inclement weather conditions in both domestic and international markets. (c) The Prevention of Black marketing and Maintenance of Supplies of Essential Commodities Act, 1980 empowers the Central and State Governments to detain persons whose activities are found to be prejudicial to the maintenance of supplies of commodities essential to the community. The detention orders made by the State Governments year-wise and state-wise during the last three years and upto 31.12.2007 are given as under:

Name of the State 2004 2005 2006 2007(As on 31.12.2007)

Gujarat 63 101 85 50

Assam 11 - - -

Tamil Nadu 1 7 74 65

Orissa - 2 1 -

Maharashtra - 1 1 1

Madhya Pradesh - - - 3

Total 75 111 161 119

Forward Markets Commission (FMC) vide letter dated 23.01.07 has directed the three National Exchanges, namely (a) Multi Commodity Exchange of India Ltd., (b) National Commodity & Derivatives Exchange Ltd., (c) National Multi Commodity Exchange of India Ltd., to delist all contracts of tur and urad and to close out all outstanding positions in all Tur and Urad contracts at the closing price on 23.01.07. FMC has also stated that no further contract shall be launched without its prior approval and permission already granted to launch contracts in Urad and fur stands withdrawn. FMC has on 27.2.2007 directed all the three National Exchanges that no new wheat and rice contracts be launched. In the letter to the Exchanges, FMC has stated that permission already granted for yet to be launched contracts stands revoked and that in respect of running contracts in these commodities no new position should be allowed to be taken. Only squaring up of positions should be allowed. Forward Markets Commission (FMC) prescribes various regulatory measures such as imposition of limits on open position, reduction in limits on daily price fluctuations and imposition of additional/special margin to ensure orderly trading in the commodity futures market.

(d) & (e): No, Sir.Does not arise.